

**BY COMMUNITY DEVELOPMENT/
HUMAN RESOURCES COMMITTEE**

**AN ORDINANCE TO EXERCISE A RENEWAL OPTION FOR THE
CHASTAIN PARK AMPHITHEATER CONTRACT, AND TO MAKE
CERTAIN AMENDMENTS TO SAID CONTRACT; AND FOR OTHER
PURPOSES.**

WHEREAS, the City of Atlanta (“City”) owns a public entertainment facility located in Chastain Park, known as the Chastain Park Amphitheater (“Amphitheater”); and

WHEREAS, the City entered a ten-year contract in 1990 with a joint venture called Chastain Ventures, whereby the Chastain Ventures managed and operated the Amphitheater; and

WHEREAS, the City and the Chastain Ventures renewed the 1990 contract for an additional ten years, with the option of adding two additional five-year terms. Said renewal agreement, executed April 25, 2001, and with an effective date of January 1, 2001, and including the First Amendment effective January 1, 2002, and the Second Amendment dated July 19, 2007, (hereinafter the January 1, 2001 renewal agreement, as amended, shall be referred to as the “2001 Agreement”) will expire on December 31, 2010; and

WHEREAS, the City and the Chastain Ventures (the “Venture”), comprised of the Robert W. Woodruff Arts Center, Inc. on behalf of the Atlanta Symphony Orchestra, and Live Nation Worldwide, Inc., wish to renew the 2001 Agreement for one additional ten year term, and wish to make a limited number of amendments to the 2001 Agreement as described below. The Parties desire one ten-year term rather than two five-year terms to create an adequate amortization period for the improvements that the Venture makes to the Amphitheater.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA as follows:

Section 1. The Mayor, on behalf of the City, is hereby authorized to execute and enter a contract (the “2011 Renewal Agreement”) that renews and amends the 2001 Agreement between the City and the Chastain Ventures for the Chastain Park Amphitheater.

Section 2. The 2011 Renewal Agreement shall have a term of ten years, from January 1, 2011 through December 31, 2020. The City will reimburse the Venture for the

unamortized capital improvements at the end of the ten-year term, where the calculation of unamortized improvements is performed as set forth in the 2001 Agreement, including section 16(e) thereof. Any capital improvements made by the Venture during the term of the 2011 Renewal Agreement must receive prior written consent by the Commissioner of the Department of Parks, Recreation and Cultural Affairs (the "Commissioner"). The 2011 Renewal Agreement shall have no renewal options. Prior to the expiration of the ten-year term, the Venture will have the first right to negotiate a new Amphitheater contract before the City initiates a bid process for the contract. If the parties cannot reach acceptable terms after ninety days, the City will have the right to end the negotiation process without any further obligation to the Venture. The negotiations must begin by October 1, 2019 in order to provide the City with ample time to bid out the contract should negotiations with the Venture fail.

Section 3. The base rental fee amounts to be paid by the Venture to the City pursuant to the 2011 Renewal Agreement shall be as set forth in the 2001 Agreement. Specifically, the Venture shall pay a base rent of \$275,000 per year from 2011 through 2015, and a base rent of \$300,000 from 2016 through 2020.

Section 4. The 2011 Renewal Agreement shall continue the requirement that the Venture add a \$2.00 per seat surcharge, and a separate \$1.00 per seat surcharge, to the cost of Amphitheater tickets. In addition to paying base rent, the Venture will provide the City with seat surcharge revenue and revenue from parking fees ("Ancillary Income") in the amounts set forth in the 2001 Agreement. Said amounts shall not be deposited into the General Fund, but rather shall be deposited into the accounts identified in the 2001 Agreement and utilized in the manner prescribed in the 2001 Agreement.

Section 5. Pursuant to the 2011 Renewal Agreement, the Venture shall add a new \$1.50 per seat surcharge to each Amphitheater ticket sold. One dollar of the surcharge will be retained by the Venture. Fifty cents of the surcharge shall be provided to the City, and said amounts shall be deposited into a dedicated trust fund, the principal and earnings of which shall be expended solely for costs associated with the Centers of Hope and the youth programming offered therein.

Section 6. The 2011 Renewal Agreement shall require that each concert season, the Venture shall either promote a minimum of forty-two concerts or shall provide the City with Ancillary Income of no less than \$440,000.

Section 7. The 2011 Renewal Agreement will authorize the Venture to enter a contract regarding the name of the Amphitheater with approval by the Commissioner, and the City will receive fifty percent (50%) of the net proceeds from the naming agreement. This amount will be deposited into a dedicated trust fund, the principal and earnings of which shall be expended solely for costs associated with the Centers of Hope and the youth programming offered therein.

Section 8. The 2011 Renewal Agreement will not allow the Venture to have commercial displays outside the Amphitheater, except that the Venture will be authorized to place up

to two promotional vehicles or booths outside of the Amphitheater's Gate 1 and Gate 4, from up to two hours immediately prior to a concert through one hour immediately following the concert. These locations cannot be seen easily by anyone other than people entering and exiting the venue. The vehicles or booths must be for promotional displays and purposes only, and may not include the sale of food and merchandise.

Section 9. The 2011 Renewal Agreement will require that the Venture evaluate the public safety needs of each concert on an individual basis and allocate security based upon that evaluation.

Section 10. The Renewal shall maintain the Minority Female Business Enterprise ("MFBE") provisions set forth in the 2001 Agreement, though the Mayor or his designee may modify the provisions without need for future legislation, provided that: 1) the MFBE program is not eliminated; 2) the MFBE program continues to allot dates for MFBE promotion of events; and 3) modifications enhance the ability of MFBE promoters to successfully produce events at the Amphitheater.

Section 11. The 2011 Renewal Agreement will continue to allocate five nights during the concert Season to the City. It will require the Venture to cooperate with the City in the City's efforts to promote concerts.

Section 12. The 2011 Renewal Agreement will allow the City to replace one or more of the current parking locations utilized by the Venture pursuant to the 2001 Agreement with different parking locations, provided that the City establishes a comparable number and location of parking spots, and provided that the Venture consents to the new locations, where such consent shall not be unreasonably withheld or delayed.

Section 13. Except as set forth herein, the material terms set forth in the 2001 Agreement shall remain unchanged.

Section 14. All revenue due to the City from this Renewal Agreement shall be deposited into the following FDOA: 7701 (Trust Fund) 140364 (PRC Recreation Center Operations) 3473002 (Fees; Chastain Park Amphitheater) 6190000 (Special Facilities) 600384 (Centers of Hope) 69999 (Non-Capital Trust).

Section 15. All expenses to be paid by the City from this Renewal Agreement shall be expended from the following FDOA: 7701 (Trust) 140364 (PRC Recreation Center Operations) 5112001 (Salaries; Extra Help) 5212001 (Consulting/Professional Services) 5311001 (Supplies; Consumable) 6190000 (Special Facilities) 600384 (Centers of Hope) 69999 (Non-Capital Trust).

Section 16. All ordinances and resolutions in conflict herewith are hereby waived for purposes of this Ordinance only, and only to the extent of said conflict.

RCS# 413
7/06/10
2:21 PM

Atlanta City Council

REGULAR SESSION

CONSENT II

EXCEPT 10-O-1203

REFER

YEAS: 12
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 2
EXCUSED: 0
ABSENT 2

Y Smith	Y Archibong	Y Moore	B Bond
Y Hall	Y Wan	Y Martin	NV Watson
Y Young	Y Shook	Y Bottoms	B Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

CONSENT II

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview: Community Development/Human Resources Committee

Caption: AN ORDINANCE TO EXERCISE A RENEWAL OPTION FOR THE CHASTAIN PARK AMPHITHEATER CONTRACT, AND TO MAKE CERTAIN AMENDMENTS TO SAID CONTRACT; AND FOR OTHER PURPOSES.

Council Meeting Date: July 5, 2010

Requesting Dept.: Department of Parks, Recreation and Cultural Affairs

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

The purpose of this legislation is to exercise a renewal option for the Chastain Park Amphitheater contract, and to amend said contract.

2. Please provide background information regarding this legislation.

3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**
- (b) **Source Selection:**
- (c) **Bids/Proposals Due:**
- (d) **Invitations Issued:**
- (e) **Number of Bids:**
- (f) **Proposals Received:**
- (g) **Bidders/Proponents:**
- (h) **Term of Contract:**

4. Fund Account Center:

5. Source of Funds:

6. Fiscal Impact:

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By:

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE BYRD

Dept.'s Legislative Liaison: Debra F. Harris

Contact Number: (404) 546-6795

Originating Department: Department of Parks, Recreation and Cultural Affairs

Committee(s) of Purview: Community Development/Human Resources Committee

Chief of Staff Deadline: June 15, 2010

Anticipated Committee Meeting Date(s): June 23, 2010

Anticipated Full Council Date: July 5, 2010

Legislative Counsel's Signature: Robin Shahar 

Commissioner Signature: Paul Taylor  

Chief Procurement Officer Signature: _____

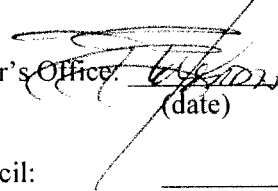
CAPTION

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Mayor's Staff Only

Received by CPO: _____
(date)

Received by LC from CPO: _____
(date)

Received by Mayor's Office:  _____

(date)

Reviewed by:  _____

(date)

Submitted to Council: _____